



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov>



OCT 27 2006

IN REPLY REFER TO:

3590

UTU-060749

(UT-923)

CERTIFIED MAIL--Return Receipt Requested

American Gilsonite Company

Jared Jackson

HC 73 Box 28

Vernal, Utah 84078

Re: Exploration Plan Approval, Federal Gilsonite Lease UTU-060749

Dear Mr. Jackson:

EXPLORATION PLAN APPROVAL

Background- The Bureau of Land Management (BLM) Utah State Office received your exploration plan on October 24, 2006. A Documentation of NEPA (National Environmental Policy Act) with a Finding of No Significant Impact (FONSI) DNA-USO-07-02 was completed for your exploration project. This exploration plan approval document constitutes the authorization granted under 43 CFR 3590 for conducting your exploration plan on your Federal gilsonite lease. The lessee is responsible for abiding by the exploration plan as analyzed including all mitigation and stipulations incorporated as part of the lease, mine plan and this exploration plan. This approval does not constitute any approvals required by the Division of Oil, Gas and Mining or any other permits necessary to commence operations.

Approval- The exploration plan is approved for the Federal Gilsonite Lease UTU-060749. The exploration plan includes a single location and four, three inch diameter holes will be drilled approximately 90 feet south from the existing shaft at a location 39 degrees, 59.732 minutes north and 109 degrees, 11.208 minutes west.

The following additional conditions of approval will apply to this action:

RECEIVED

OCT 30 2006

DIV. OF OIL, GAS & MINING

Conditions of Approval-

1. All applicable conditions of the mining plan approval dated June 27, 2000 and the lease will apply.
2. If historic or archeological materials are uncovered during construction, the operator AGC is to immediately stop work that might further disturb such materials, and contact the Authorized Officer (AO). Within five working days the AO will inform the operators as to:
 - a. Whether the materials appear eligible for the National Register of Historic Places
 - b. The mitigation measures the operator will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and,
 - c. A timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with the process, the AO will assume the responsibility for whatever recordation and stabilization of the exposed material that may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

3. All drill holes will be plugged according to the exploration plan. If water is found, the AO will be notified immediately.
4. Any relocation, additional construction, or use that is not in accord with the approved plan, shall not be initiated without the prior written approval of the authorized officer. A copy of the authorization letter, including all stipulations and approved plan, shall be kept on site during operation.
5. The lessee shall submit all information on the hole and location in accordance with 43 CFR 3593.1

Bond- There is no additional surface impact to this plan. There is no need to separately bond this action. The Lessee has a \$120,000 bond in place. BLM may adjust the bond amount at any time.

Appeal Rights- You have 30 days to appeal this approval to the Board of Land Appeals, Office of the Secretary, in accordance with the regulation at 43 CFR Part 4 and Form 1842-1 (enclosed). If an appeal is taken, your notice of appeal must be filed in this office within 30 days following the date of this approval. The appellant has the burden of showing that the decision appealed from is in error. If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58

FR 4939, January 19, 1993) for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and the petition for a stay must also be submitted to the Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellants' success on the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

For further information contact Mr. Stan Perkes, (801) 539-4036.

Sincerely,

JAMES F KOHLER

James F. Kohler
Chief, Solid Minerals Branch

Enclosure

1. Form 1842-1 (1 p)

bcc: Central Files

VFO

Utah Division of Oil, Gas, and Mining (Attn. Susan White) P.O. Box 145801, Salt Lake City, Utah, 84114-5801

Mine Files - UTU-060749

060479Exploration Plan approval10-26-06 sp-sa

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

INFORMATION ON TAKING APPEALS TO THE INTERIOR BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS

1. This decision is adverse to you,
AND
2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

- 1. NOTICE OF APPEAL.....**
A person served with the decision being appealed must transmit the notice of appeal in time for it to be filed in the office where it is required to be filed within 30 days after the date of service. If a decision is published in the **FEDERAL REGISTER**, a person not served with the decision must transmit a notice of appeal in time for it to be filed within 30 days after the date of publication (43 CFR 4.411 and 4.413).
- 2. WHERE TO FILE NOTICE OF APPEAL.....**
Bureau of Land Management, Utah State Office, P. O. Box 45155, Salt Lake City, Utah 84145-0151 or
Bureau of Land Management, Utah State Office, 440 West 200 South, Suite 500, Salt Lake City, Utah 84101
and
Regional Solicitor, Room 6201, 125 South State Street, Salt Lake City, Utah 84111
WITH COPY TO SOLICITOR...
- 3. STATEMENT OF REASONS**
Within 30 days after filing the Notice of Appeal, File a complete statement of the reasons why you are appealing. This must be filed with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. If you fully stated your reasons for appealing when filing the Notice of Appeal, no additional statement is necessary (43 CFR 4.412 and 4.413).
WITH COPY TO SOLICITOR..... and
Regional Solicitor, Room 6201, 125 South State Street, Salt Lake City, Utah 84111
- 4. ADVERSE PARTIES.....**
Within 15 days after each document is filed, each adverse party named in the decision and the Regional Solicitor or Field Solicitor having jurisdiction over the State in which the appeal arose must be served with a copy of: (a) the Notice of Appeal, (b) the Statement of Reasons, and (c) any other documents filed (43 CFR 4.413). If the decision concerns the use and disposition of public lands, including land selections under the Alaska Native Claims Settlement Act, as amended, service will be made upon the Associated Solicitor, Division of Land and Water Resources, Office of the Solicitor, U.S. Department of the Interior, Washington, D.C. 20240. If the decision concerns the use and disposition of mineral resources, service will be made upon the Associated Solicitor, Division of Mineral Resources, Office of the Solicitor, U.S. Department of the Interior, Washington, D.C. 20240.
- 5. PROOF OF SERVICE.....**
Within 15 days after any document is served on an adverse party, file proof of that service with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (43 CFR 4.401(c)).
- 6. REQUEST FOR STAY.....**
Except where program-specific regulations place this decision in full force and effect or provide for an automatic stay, the decision becomes effective upon the expiration of the time allowed for filing an appeal unless a petition for a stay is timely filed together with a *Notice of Appeal* (43 CFR 4.21). If you wish to file a petition for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Interior Board of Land Appeals, the petition for a stay must accompany your notice of appeal (43 CFR 4.21 or 43 CFR 2804.1). A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the *Notice of Appeal* and Petition for a Stay must also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay. Except as other provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards: (1) the relative harm to the parties if the stay is granted or denied, (2) the likelihood of the appellant's success on the merits, (3) the likelihood of immediate and irreparable harm if the stay is not granted, and (4) whether the public interest favors granting the stay.

Unless these procedures are followed your appeal will be subject to dismissal (43 CFR 4.402). Be certain that all communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (43 CFR 4.401(a)). See 43 CFR Part 4, subpart b for general rules relating to procedures and practice involving appeals.

43 CFR SUBPART 1821--GENERAL INFORMATION

Sec. 1821.10 Where are BLM offices located? (a) In addition to the Headquarters Office in Washington, D.C. and seven national level support and service centers, BLM operates 12 State Offices each having several subsidiary offices called Field Offices. The addresses of the State Offices can be found in the most recent edition of 43 CFR 1821.10. The State Office geographical areas of jurisdiction are as follows:

STATE OFFICES AND AREAS OF JURISDICTION:

Alaska State Office ----- Alaska
Arizona State Office ----- Arizona
California State Office ----- California
Colorado State Office ----- Colorado
Eastern States Office ----- Arkansas, Iowa, Louisiana, Minnesota, Missouri
and, all States east of the Mississippi River
Idaho State Office ----- Idaho
Montana State Office ----- Montana, North Dakota and South Dakota
Nevada State Office ----- Nevada
New Mexico State Office ----- New Mexico, Kansas, Oklahoma and Texas
Oregon State Office ----- Oregon and Washington
Utah State Office ----- Utah
Wyoming State Office ----- Wyoming and Nebraska

(b) A list of the names, addresses, and geographical areas of jurisdiction of all Field Offices of the Bureau of Land Management can be obtained at the above addresses or any office of the Bureau of Land Management, including the Washington Office, Bureau of Land Management, 1849 C Street, NW, Washington, DC 20240.

(Form 1842-1, September 2005)

**FINDING OF NO SIGNIFICANT IMPACT
AND
DECISION RECORD**

Environmental Assessment for American Gilsonite Company's proposed Mine, Lease
UTU-060749, Uintah County, Utah EA Number (UT-080-1999-17)

"Based on the analysis of potential environmental impacts contained in the referenced environmental assessment, and considering the significance criteria in 40 CFR 1508.27, I have determined that the action will not have a significant effect on the human environment. An environmental impact statement is therefore not required."

"Based on the analysis of potential environmental impacts contained in the attached Determination of NEPA Adequacy and as analyzed in the previous environmental assessment (EA-UT-080-1999-17), I have determined that the action will not have a significant effect on the human environment. An environmental impact statement is therefore not required."

Decision:

"It is my decision to authorize the Exploration on the I-30 mine site on Federal Gilsonite Lease UTU-060749 as described in the proposed action from the EA-UT-080-1999-17."

Summary of the Selected Alternative:

The selected alternative is for the mining of the gilsonite from the Wagon Hound gilsonite vein in Section 35, T9S, R24E, in Uintah County, Utah. The vein trends North 56 degrees West, averages 34 inches in width at the surface, and is minable to a depth of approximately 200 ft. The mine would operate for 18-20 years. All mining would occur west of State Route 45 (SR 45)

"This decision is contingent on meeting all stipulations and monitoring requirements listed below."

EA Conditions of Approval-

1. If historic or archeological materials are uncovered during construction, the operator AGC is to immediately stop work that might further disturb such materials, and contact the Authorized Officer (AO). Within five working days the AO will inform the operators as to:
 - a. Whether the materials appear eligible for the National Register of Historic Places
 - b. The mitigation measures the operator will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and,

- c. A timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with the process, the AO will assume the responsibility for whatever recordation and stabilization of the expose material may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

2. Fans used in the operation shall be oriented in such a direction as to minimize noise from such at the White River.
3. Waste rock, along with the gilsonite such wastes may contain, will be stored in such a manner to prevent escape of the material by wind and erosion. The waste material and gilsonite bearing sediment caught in sediment ponds installed downslope of mine operations, shall be pushed into the shaft after the completion of mining and prior to shaft sealing.
4. AGCV shall monitor for control noxious weeds at the mine and along access routes to the mine within the lease boundary. AGC should practice concurrent reclamation, including the closure of shafts and escape way, recon touring, and seeding after the cessation of mining at each shaft. AGC shall notify the AO of the completion of various stages of reclamation so the success of such can be monitored. THE BLM sill monitor reclamation for at least two ears to determine whether or not the reclaimed areas are stable and are satisfactorily re-vegetating. If not, ACG will be informed of the need for remedial action(s).
5. Any variance to the propose action alternative must first be approved by the AO.

Mining Plan Conditions of Approval

1. **As Built Drawings.** The Lessee will submit to the Deputy State Director, Natural Resources, BLM Utah State Office, at the above address, a scaled map showing the construction and the survey coordinates (State Plane or metes and bounds description) of each of the mine features, buildings, and the vein, within 90 days after construction is complete. The person who conducts the survey and the manager will sign and date the drawing. Land features will be shown on the drawing. These will include but are not limited to section corners, roads, and section lines. An updated map will be sent to BLM within 90 days after construction is completed on any new sites.
2. **Surface Pillar.** If a surface pillar is left, the lessee shall leave a minimum of 30' between the surface and the upper most workings in the mine. Any proposed surface pillar size of more than 50 feet or less than 30 feet will require prior approval by BLM. The lessee will submit documentation to the AO showing reduced pillar size will not result in any long-term surface subsidence. The AO must approve changes in surface pillar size prior to any changes.

3. **Quarterly Production Maps.** The lessee will submit maps quarterly to the BLM Utah State Office of the BLM showing the amount of gilsonite removed in the previous quarter. These will be submitted by January 15th, April 15th, July 15th and October 15th. The maps will be scaled and show the depth of cut and the thickness of the vein at intervals that can be used to verify production. These maps shall be certified by a registered engineer, land surveyor or an official of the company.
4. **Yearly Mining Plan.** By January 15th of each year, the lessee will submit a one-year mine plan to the BLM Utah State Office showing the proposed mining sequences for the coming year on a scaled map. The one-year plan will describe the extraction sequence and the projected tonnages of ore to be extracted for that year.
5. **Lease Boundary Marking.** The lessee will mark the corners of the boundary of the lease with metal fencing posts and metal painted signs at each corner of the lease. The signs will show as minimum the legal subdivision and the Federal gilsonite lease number. These signs will be located by survey. A scaled copy of this survey (map) will be sent to BLM Utah State Office 180 days after the start of construction of surface facilities.
6. **Reclamation.** Upon abandonment all equipment shall be removed and all contours shall approximate the original contour except of the main road which shall be left in-place. All waste rock shall be dumped into the shaft or contoured if there is sufficient topsoil (ie. Greater than 6 inches) to cover the rock. All materials in retention ponds shall be removed. All materials left in the mine shall be reported to the AO prior to removal of the ability to descend down the shaft via the hoist and bucket. The stockpiled topsoil shall be spread over the disturbed areas and a seeding plan and schedule shall be submitted and approved by the AO prior to finalizing the reclamation. All disturbed areas shall be reclaimed with native grasses, forbs, and shrubs. The site shall be re-vegetated to pre-existing species composition and density as determined by the AO. The reclamation bond will not be released until the AO accepts the reclamation in writing. Concurrent reclamation practices will be utilized.
7. **Control of Noxious Weeds.** The lessee shall control all noxious weeds on the disturbed work site with a herbicide approved by the BLM Vernal Field Office. The weeds that are required to be controlled are in attachment 1. This shall be accomplished while these sites remain disturbed during operations and during reclamation.

UTAH NOXIOUS WEEDS The Utah State Commissioner of Agriculture has officially designated 18 species listed below as noxious in the State of Utah. These may change and the county may adopt other species.

COMMON NAME

Bermudagrass
Field Bindweed
Broad-leaved Pepperweed
Canada Thistle
Diffuse Knapweed
Dyers Woad
Perennial Sorghum spp.

Leafy Spurge

SCIENTIFIC NAME

Cynodon dactylon (L.) Pers.
Convolvulus spp. (Wild Morning-glory)
Lepidium latifolium L. (Tall Whitetop)
Cirsium arvense (L.) Scop.
Centaurea diffusa Lam.
Isatis tinctoria L.
including but not limited to Johnson Grass
(*Sorghum halepense* (L.) Pers. and *Sorghum*
almum (*Sorghum almum*, Parodi)
Euphorbia esula L.

Medusahead	<i>Taeniatherum caput-medusae</i> (L.) Nevski
Musk Thistle	<i>Carduus nutans</i> L.
Quackgrass	<i>Agropyron repens</i> (L.) Beauv.
Russian Knapweed	<i>Centaurea repens</i> (L.)
Scotch Thistle	<i>Onopordium acanthium</i> L. (Cotton Thistle)
Spotted Knapweed	<i>Centaurea maculosa</i> Lam.
Squarrose Knapweed	<i>Centaurea squarrosa</i> Roth
Whitetop	<i>Cardaria</i> spp.
Yellow Starthistle	<i>Centaurea solstitialis</i> L.
Purple loosestrife	<i>Lythrum salicaria</i>

8. **Groundwater.** Should groundwater flow be encountered in quantities greater than 5 gallons per hour during mining operations, the lessee/operator shall contact the Utah State Office Mining Engineer(801- 539-4036) and the Vernal Field Office Hydrologist or Geologist (435-781-4400) within 24 hours of the encounter and report on the following:

- 1) True vertical encountered depth
- 2) Subsurface location at which it was encountered
- 3) The approximate flow rate into the mine
- 4) Association of flow with any major geologic feature such as a fault or fracture surface.

Based upon this information, the AO will determine if the lessee will be required to monitor the effect of the flow into the mine on any nearby wildlife, or stock wells. If such wells are affected the AO may require the lessee to supply replacement water to the affected stock or wildlife ponds.

All groundwater flows encountered in the mine shall be sampled and analyzed for major cations, anions, total dissolved solids, pH and total suspended solids. The lessee shall follow the rules and regulations of the State of Utah pertaining to the sampling parameters for pollutants and surface effluent discharges from the proposed gilsonite mine (Utah Administrative Code, August 4, 1995, R 317-1.2; General Requirements: R 317-8.3; Application Requirements (for a UPDES Permit: R317-6.2; Ground Water Quality Standards). Results from these analyses and sampling parameters for pollutants as required by the State of Utah shall be provided to the Vernal District Hydrologist and Utah State Office Mining Engineer within 30 working days of encountering the water,.

9. **Signage.** The lessee shall maintain a sign on the outside the hoist house at the working site that lists the Federal lease number.

10. **Shaft Sealing.** Final designs shall be submitted and reviewed by BLM prior to seal construction. The collar and other structures shall be removed.

Concrete Seals: The final concrete seal over openings that penetrate the surface must conform to the following as a minimum:

Bedrock - If the seal is to be in an exposed rock outcrop, the top of the seal shall be constructed so as to conform with the contour of the outcrop and shall be no higher than the adjacent rock. The color of the concrete shall be of such a color as to blend in the surrounding rock outcrop. The bottom of the seal shall sit on bedrock and shall sufficiently cover the gilsonite vein.

Soil Area- If the shaft seal is to be in an area where soil will cover the shaft seal, the top of the seal shall be placed in bedrock so that the shaft seal is a minimum of 2 feet below the top of the soil cover. There shall be no alluvial material between the shaft cover and the Gilsonite in the vein and the seal must be in-bedded in the Gilsonite on the vein side of the cover.

Drawing- An asbuilt drawing shall be submitted along with pictures showing the construction of the shaft seal.

11. **Noise.** Fans used in the operation shall be oriented in such a directions as to minimize noise to the White River
12. **Cultural Resources.** If historic or archeological materials are uncovered during construction, the operator AGC is to immediately stop work that might further disturb such materials, and contact the Authorized Officer (AO). Within five working days the AO will inform the operators as to:
 - a. Whether the materials appear eligible for the National Register of Historic Places
 - b. The mitigation measures the operator will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and,
 - c. A timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with the process, the AO will assume the responsibility for whatever recordation and stabilization of the expose material may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

13. **Gilsonite Retention.** A sediment pond method of gilsonite retention shall be constructed on the down hill side of the shaft and ore bin to contain any gilsonite particle movement by rain waters. Material that is used to construct the sediment pond must be removed as part of the reclamation effort.
14. **Escapeway Security.** All escapeways that penetrate the surface shall be fenced with chain link fencing that shall be 6 feet high. All enclosure shall have gates with locks to provide first line of security. Sufficient area inside the fenced area shall be maintained of ingress and egress. The gates shall be locked when the mine is not in operation.
15. **Shaft Security.** The shaft shall be secured with a double rail guard with chain link fence attached to it including the gate.
16. **Stipulation Waiver.** Any of these stipulations may be waived by the authorized officer (AO) if either the resource values change or the lessee/operator demonstrates to the satisfaction of the (AO) that adverse impacts can be mitigated.

Rationale for the Decision:

This decision is in conformance with the Book Cliffs Resource Management Plan and is consistent with all state, federal and local regulations. Drilling the gilsonite vein will allow the operator to explore in order to see if mining can continue. Public notification was given by posting a notice on the BLM's Environmental Notification Bulletin Board on March 16, 2006.

JAMES F KOHLER

Authorized Officer (signature)

OCT 27 2006
Date of signature

The decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR Part 4. Public notification of this decision will be considered to have occurred on the date this decision was signed. Within 30 days of this decision, a notice of appeal must be filed in the office of the authorized officer at P.O. Box 45155, Salt Lake City, Utah, 84145-0155. If a statement of reasons for the appeal is not included with the notice, it must be filed with the Interior Board of Land Appeals, Office of Hearings and Appeals, U.S. Department of the Interior, 801 North Quincy St., Suite 300, Arlington, VA 22203 within 30 days after the notice of appeal is filed with the authorized officer.

If you wish to file a petition for stay pursuant to 43 CFR Part 4.21(b), the petition for stay should accompany your notice of appeal and shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of irreparable harm to the appellant or resources if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

If a petition for stay is submitted with the notice of appeal, a copy of the notice of appeal and petition for stay must be served on each party named in the decision from which the appeal is taken, and with the IBLA at the same time it is filed with the authorized officer.

A copy of the notice of appeal, any statement of reasons and all pertinent documents must be served on each adverse party named in the decision from which the appeal is taken and on the Office of the Regional Solicitor, U.S. Department of the Interior, 6201 Federal Building, 125 South State Street, Salt Lake City, Utah 84138-1180, not later than 15 days after filing the document with the authorized officer and/or IBLA.

060479 Fonsi#410-26-06 sp-sa

Worksheet
Documentation of Land Use Plan Conformance and
Determination of NEPA Adequacy (DNA)

U.S. Department of the Interior
Utah Bureau of Land Management (BLM)
DNA-USO-07-02

A. BLM Office: Utah State Office

Lease/Serial/Case File No. UTU-060749

Proposed Action Title/Type: Exploration Plan under 43 CFR 3590

Location of Proposed Action: T 09 S., R 24 E., Section 35, (Federal Gilsonite Lease UTU-060749)

Description of the Proposed Action: Exploration drilling on disturbed ground at the American Gilsonite Wagon Hound #4 Mine Site. There will be a number of holes drilled from a single location. If the drilling is not successful there will be other sites chosen. This is necessary in order to determine the amount of ore that is remaining in the mine. Further mining will require a hoist to be placed on the shaft due to the depth of the shaft.

Applicant: American Gilsonite

The proposed Action would conform with the *Final Environmental Impact Statement for the Book Cliffs Resource Management Plan* (BCRMP) (BLM 1984) because gilsonite resources would be developed on lands deemed suitable for that use under a development scenario that gives adequate protection to the environment.

B. Conformance with the Land Use Plan (LUP) and Consistency with Related Subordinate Implementation Plans

Book Cliffs Resource Management Plan (BCRMP) 1984

Mining Plan Approval June, 27, 2000

The proposed Action would conform with the *Final Environmental Impact Statement for the Book Cliffs Resource Management Plan* (BCRMP) (BLM 1984) because gilsonite resources would be developed on lands deemed suitable for that use under a development scenario that gives adequate protection to the environment.

C. Identify the applicable NEPA document(s) and other related documents that cover the proposed action.

ENVIRONMENTAL ASSESSMENT FOR
AMERICAN GILSONITE COMPANY'S
WAGON HOUND GILSONITE MINE
SHAFTS NOS. 3 AND 7,
UINTAH COUNTY, UTAH
EA UT-080-1999-17

D. NEPA Adequacy Criteria

1. Is the current proposed action substantially the same action (or is a part of that action) as previously analyzed?

☒ Yes

☐ No

Documentation of answer and explanation: The EA UT-080-1999-17 proposed action is "The Proposed Action would involve the mining of gilsonite from the Wagon Hound gilsonite vein in Section 35, T9s R24E, in Uintah County, Utah. The vein trends North 56 degrees West, averages 34 inches in width at the surface, and is minable to a depth of approximately 200 feet." This proposal is to conduct drilling on the disturbed mining areas to determine if the gilsonite goes to a greater depth than was previously thought.

2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the current proposed action, given current environmental concerns, interests, resource values, and circumstances?

☒ Yes

☐ No

Documentation of answer and explanation: The range of alternatives in the EA is sufficient. The alternatives covered penetrating the surface to examine the gilsonite. The action considered was to conduct sinking a production shaft and 2 escape shafts for each production shaft. The surface would be bladed to 150 feet in diameter of the shaft. The EA did not address drilling because it was thought that the extent of the gilsonite was known.

The drilling will be conducted in an area that the vegetation and soil has been removed in order to conduct mining operations. Drilling will be with a 3 inch diameter drill bit.

There will be 3-4 holes per location. There will be one location, but others may be necessary if drilling does not work in this location. All sites will be in the disturbed area.

3. Is existing analysis adequate in light of any new information or circumstances (including, for example, riparian proper functioning condition [PFC] reports; rangeland health standards assessments; Unified Watershed Assessment categorizations; inventory and monitoring data; most recent Fish and Wildlife Service lists of threatened, endangered, proposed, and candidate species; most recent BLM lists of sensitive species)? Can you reasonably conclude that all new information and all new circumstances are insignificant with regard to analysis of the proposed action?

☒ Yes

☐ No

Documentation of answer and explanation: The 1999 EA spoke to all issues. The drilling will not impact any resource values that have not been addressed in the EA. The Exploration Plan that has been submitted by AGC includes methods of plugging the holes in order not to further affect the gilsonite resource. AGC has committed to contacting the AO if ground water is hit for further requirements.

4. Do the methodology and analytical approach used in the existing NEPA documents(s) continue to be appropriate for the current proposed action?

☒ Yes

☐ No

Documentation of answer and explanation: No water is anticipated to be hit while drilling. If water is hit, AGC has committed to contacting BLM for further requirements. The plugging plan also includes a variation to plug the holes with cement from top to bottom if water is encountered.

5. Are the direct and indirect impacts of the current proposed action substantially unchanged from those identified in the existing NEPA document(s)? Do the existing NEPA documents analyze impacts related to the current proposed action at a level of specificity appropriate to the proposal (plan level, programmatic level, project level)?

☒ Yes

☐ No

Documentation of answer and explanation: There will be no further surface disturbance to the site because it already has been disturbed for mining purposes'.

6. Are the reasonably foreseeable cumulative impacts that would result from implementation of the proposed action substantially unchanged from those identified in the existing NEPA document(s)?

☐ Yes

☒ No

Documentation of answer and explanation: The mining action effects more area and is larger than the area covered by the drilling operation. The mining and drilling is covered in the EA-080-1999-17 and the reclamation is also covered in the plan with conditions of approval in the Mining Plan Approval document.

7. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current proposed action?

☒ Yes

☐ No

Documentation of answer and explanation: The EA had approximately 50 copies mailed to agencies, organization, news outlets and individuals to allow them 30 days in which to submit comments. Copies of the EA were made available at the BLM's Vernal Field Office, and an electronic version of the EA was posted on the Vernal Field Office internet home page. 1 Comment letter was received. All comments were addressed. This action will also be placed on the ENBB.

E. Interdisciplinary Analysis: Identify those team members conducting analysis or participating in the preparation of this worksheet.

<u>Name</u>	<u>Title</u>	<u>Resource Represented</u>
Stan Perkes	Mining Engineer	Mineral
Greg Hudson	Geologist	Mineral
Steve Madsen	Biologist	Water, Wildlife, T&E

F. Mitigation Measures: List any applicable mitigation measures that were identified, analyzed, and approved in relevant LUPs and existing NEPA document(s).

EA Conditions of Approval-

1. If historic or archeological materials are uncovered during construction, the operator AGC is to immediately stop work that might further disturb such materials, and contact the Authorized Officer (AO). Within five working days the AO will inform the operators as to:

- a. Whether the materials appear eligible for the National Register of Historic Places
- b. The mitigation measures the operator will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and,
- c. A timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with the process, the AO will assume the responsibility for whatever recordation and stabilization of the expose material may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

2. Fans used in the operation shall be oriented in such a direction as to minimize noise from such at the White River.
3. Waste rock, along with the gilsonite such wastes may contain, will be stored in such a manner to prevent escape of the material by wind and erosion. The waste material and gilsonite bearing sediment caught in sediment ponds installed downslope of mine operations, shall be pushed into the shaft after the completion of mining and prior to shaft sealing.
4. AGCV shall monitor for an control noxious weeds at the mine and along access routes to the mine within the lease boundary. AGC should practice concurrent reclamation, including the closure of shafts and escape way, recon touring, and seeding after the cessation of mining at each shaft. AGC shall notify the AO of the completion of various stages of reclamation so the success of such can be monitored. THE BLM sill monitor reclamation for at least two ears to determine whether or not the reclaimed areas are stable an are satisfactorily re-vegetating. If not, ACG will be informed of the need for remedial action(s).
5. Any variance to the propose action alternative must first be approved by the AO.

Mining Plan Conditions of Approval

1. **As Built Drawings.** The Lessee will submit to the Deputy State Director, Natural Resources, BLM Utah State Office, at the above address, a scaled map showing the construction and the survey coordinates (State Plane or metes and bounds description) of each of the mine features, buildings, and the vein, within 90 days after construction is complete. The person who conducts the survey and the manager will sign and date the drawing. Land features will be shown on the drawing. These will include but are not limited to section corners, roads, and section lines. An updated map will be sent to BLM within 90 days after construction is completed on any new sites.

2. **Surface Pillar.** If a surface pillar is left, the lessee shall leave a minimum of 30' between the surface and the upper most workings in the mine. Any proposed surface pillar size of more than 50 feet or less than 30 feet will require prior approval by BLM. The lessee will submit documentation to the AO showing reduced pillar size will not result in any long-term surface subsidence. The AO must approve changes in surface pillar size prior to any changes.
3. **Quarterly Production Maps.** The lessee will submit maps quarterly to the BLM Utah State Office of the BLM showing the amount of gilsonite removed in the previous quarter. These will be submitted by January 15th, April 15th, July 15th and October 15th. The maps will be scaled and show the depth of cut and the thickness of the vein at intervals that can be used to verify production. These maps shall be certified by a registered engineer, land surveyor or an official of the company.
4. **Yearly Mining Plan.** By January 15th of each year, the lessee will submit a one-year mine plan to the BLM Utah State Office showing the proposed mining sequences for the coming year on a scaled map. The one-year plan will describe the extraction sequence and the projected tonnages of ore to be extracted for that year.
5. **Lease Boundary Marking.** The lessee will mark the corners of the boundary of the lease with metal fencing posts and metal painted signs at each corner of the lease. The signs will show as minimum the legal subdivision and the Federal gilsonite lease number. These signs will be located by survey. A scaled copy of this survey (map) will be sent to BLM Utah State Office 180 days after the start of construction of surface facilities.
6. **Reclamation.** Upon abandonment all equipment shall be removed and all contours shall approximate the original contour except of the main road which shall be left in-place. All waste rock shall be dumped into the shaft or contoured if there is sufficient topsoil (ie. Greater than 6 inches) to cover the rock. All materials in retention ponds shall be removed. All materials left in the mine shall be reported to the AO prior to removal of the ability to descend down the shaft via the hoist and bucket. The stockpiled topsoil shall be spread over the disturbed areas and a seeding plan and schedule shall be submitted and approved by the AO prior to finalizing the reclamation. All disturbed areas shall be reclaimed with native grasses, forbs, and shrubs. The site shall be re-vegetated to pre-existing species composition and density as determined by the AO. The reclamation bond will not be released until the AO accepts the reclamation in writing. Concurrent reclamation practices will be utilized.
7. **Control of Noxious Weeds.** The lessee shall control all noxious weeds on the disturbed work site with a herbicide approved by the BLM Vernal Field Office. The weeds that are required to be controlled are in attachment 1. This shall be accomplished while these sites remain disturbed during operations and during reclamation.

UTAH NOXIOUS WEEDS The Utah State Commissioner of Agriculture has officially designated 18 species listed below as noxious in the State of Utah. These may change and the county may adopt other species.

COMMON NAME

Bermudagrass
Field Bindweed
Broad-leaved Pepperweed
Canada Thistle
Diffuse Knapweed
Dyers Woad
Perennial Sorghum spp.

Leafy Spurge
Medusahead
Musk Thistle
Quackgrass
Russian Knapweed
Scotch Thistle
Spotted Knapweed
Squarrose Knapweed
Whitetop
Yellow Starthistle
Purple loosestrife

SCIENTIFIC NAME

Cynodon dactylon (L.) Pers.
Convolvulus spp. (Wild Morning-glory)
Lepidium latifolium L. (Tall Whitetop)
Cirsium arvense (L.) Scop.
Centaurea diffusa Lam.
Isatis tinctoria L.
including but not limited to Johnson Grass
(*Sorghum halepense* (L.) Pers. and *Sorghum*
Almum (*Sorghum almum*, Parodi)
Euphorbia esula L.
Taeniatherum caput-medusae (L.) Nevski
Carduus nutans L.
Agropyron repens (L.) Beauv.
Centaurea repens (L.)
Onopordium acanthium L. (Cotton Thistle)
Centaurea maculosa Lam.
Centaurea squarrosa Roth
Cardaria spp.
Centaurea solstitialis L.
Lythrum salicaria

8. **Groundwater.** Should groundwater flow be encountered in quantities greater than 5 gallons per hour during mining operations, the lessee/operator shall contact the Utah State Office Mining Engineer(801- 539-4036) and the Vernal Field Office Hydrologist or Geologist (435-781-4400) within 24 hours of the encounter and report on the following:

- 1) True vertical encountered depth
- 2) Subsurface location at which it was encountered
- 3) The approximate flow rate into the mine
- 4) Association of flow with any major geologic feature such as a fault or fracture surface.

Based upon this information, the AO will determine if the lessee will be required to monitor the effect of the flow into the mine on any nearby wildlife, or stock wells. If such wells are affected the AO may require the lessee to supply replacement water to the affected stock or wildlife ponds.

All groundwater flows encountered in the mine shall be sampled and analyzed for major cations, anions, total dissolved solids, pH and total suspend solids. The lessee shall follow the rules and regulations of the State of Utah pertaining to the sampling parameters for pollutants and surface effluent discharges from the proposed gilsonite mine (Utah Administrative Code, August 4, 1995, R 317-1.2; General Requirements: R 317-8.3; Application Requirements (for a UPDES Permit: R317-6.2; Ground Water Quality Standards). Results from these analyzes and sampling parameters for pollutants as required by the Stat4e of Utah shall b proved to the Vernal District Hydrologist and Utah State Office Mining Engineer within 30 working days of encountering the water,.

9. **Signage.** The lessee shall maintain a sign on the outside the hoist house at the working site that lists the Federal lease number.

10. **Shaft Sealing.** Final designs shall be submitted and reviewed by BLM prior to seal construction. The collar and other structures shall be removed.

Concrete Seals: The final concrete seal over openings that penetrate the surface must conform to the following as a minimum:

Bedrock - If the seal is to be in an exposed rock outcrop, the top of the seal shall be constructed so as to conform with the contour of the outcrop and shall be no higher than the adjacent rock. The color of the concrete shall be of such a color as to blend in the surrounding rock outcrop. The bottom of the seal shall sit on bedrock and shall sufficiently cover the gilsonite vein.

Soil Area- If the shaft seal is to be in an area where soil will cover the shaft seal, the top of the seal shall be placed in bedrock so that the shaft seal is a minimum of 2 feet below the top of the soil cover. There shall be no alluvial material between the shaft cover and the Gilsonite in the vein and the seal must be in-bedded in the Gilsonite on the vein side of the cover.

Drawing- An asbuilt drawing shall be submitted along with pictures showing the construction of the shaft seal.

11. **Noise.** Fans used in the operation shall be oriented in such a directions as to minimize noise to the White River
12. **Cultural Resources.** If historic or archeological materials are uncovered during construction, the operator AGC is to immediately stop work that might further disturb such materials, and contact the Authorized Officer (AO). Within five working days the AO will inform the operators as to:
 - a. Whether the materials appear eligible for the National Register of Historic Places
 - b. The mitigation measures the operator will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and,
 - c. A timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with the process, the AO will assume the responsibility for whatever recordation and stabilization of the expose material may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

13. **Gilsonite Retention.** A sediment pond method of gilsonite retention shall be constructed on the down hill side of the shaft and ore bin to contain any gilsonite particle movement by rain waters. Material that is used to construct the sediment pond must be removed as part of the reclamation effort.
14. **Escapeway Security.** All escapeways that penetrate the surface shall be fenced with chain link fencing that shall be 6 feet high. All enclosure shall have gates with locks to provide first line of security. Sufficient area inside the fenced area shall be maintained of ingress and egress. The gates shall be locked when the mine is not in operation.

15. **Shaft Security.** The shaft shall be secured with a double rail guard with chain link fence attached to it including the gate.
16. **Stipulation Waiver.** Any of these stipulations may be waived by the authorized officer (AO) if either the resource values change or the lessee/operator demonstrates to the satisfaction of the (AO) that adverse impacts can be mitigated.

CONCLUSIONS

Based on the review documented above, I conclude that:

Plan Conformance:

- ☐ This proposal conforms to the applicable land use plan.
- ☐ This proposal does not conform to the applicable land use plan

Determination of NEPA Adequacy

- ☐ The existing NEPA documentation fully covers the proposed action and constitutes BLM's compliance with the requirements of NEPA.
- ☐ The existing NEPA documentation does not fully cover the proposed action. Additional NEPA documentation is needed if the project is to be further considered.

JAMES F KOHLER

Signature of the Authorized Officer

OCT 27 2006

Date

Note: The signed CONCLUSION at the end of this worksheet is part of an interim step in the BLM's internal analysis process and does not constitute an appealable decision.

ATTACHMENTS:

060479 dna #410-26-06 sp-sa